

STATE OF MINNESOTA
DEPARTMENT OF COMMERCE
AND
DEPARTMENT OF HEALTH
JOINT BULLETIN 93-6

Issued this 5th day of
August, 1993

TO: ALL HEALTH CARRIERS PARTICIPATING IN SMALL EMPLOYER MARKET

RE: Hours of employment for "Eligible employee"

A question has been raised as to whether small employers may qualify for guaranteed issue and renewal if their requirement for employees eligibility is greater than 20 hours per week.

Minn. Stat. 62L.02, subd. 13 defines "eligible employee" in the following manner:


"Eligible employee" means an individual employed by a small employer for at least 20 hours per week and who has satisfied all the employer participation and eligibility requirements, including, but not limited to, the satisfactory completion of a probationary period of not less than 30 days but no more than 90 days." (Emphasis is added).

The law specifically allows employers to have greater eligibility requirements than the 20 hours per week as the minimum. For example, an employer may use 30 hours per week as the eligibility requirement. As a result, the category of employees actually covered by the employer must be used as the denominator to determine participation percentage.

An illustration of this definition is: if an employer, with an eligibility requirement of 30+ hours per week, has 10 employees working 30 to 40 hours per week and 12 employees working 20 to 29 hours per week, then 75% participation would be 8 ($10 \times .75$) employees, not 17 ($22 \times .75$) employees.

The law does not require employer contribution for 20 hours per week employees to assure guaranteed issue and renewal but only for employees who have satisfied all the employer's eligibility requirements which may, as in the example, be 30 hours per week.

If you have any questions, contact Kent Peterson (612) 282-5616, John Gross (612) 296-6929, Dori Petersen, (612) 296-8949 or Brian Pennington (612) 296-8218.


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